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GOLDBOND GROUP HOLDINGS LIMITED

金榜集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 00172)

DISCLOSEABLE TRANSACTION FACTORING SERVICE AGREEMENT

The Board wishes to announce that on 18 December 2017 after trading hours, Jiangsu Goldbond, an indirect wholly-owned subsidiary of the Company, entered into the Factoring Service Agreement with Sichuan Xinju whereby Jiangsu Goldbond has conditionally agreed to acquire the Electronic Commercial Drafts from Sichuan Xinju at a consideration of RMB30 million (equivalent to approximately HK\$35.4 million).

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Factoring Service Agreement are above 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

The Board announces that on 18 December 2017 after trading hours, Jiangsu Goldbond, an indirect wholly-owned subsidiary of the Company, entered into the Factoring Service Agreement with Sichuan Xinju whereby Jiangsu Goldbond has conditionally agreed to acquire the Electronic Commercial Drafts from Sichuan Xinju at a consideration of RMB30 million. Set out below are the principal terms of the Factoring Service Agreement:

THE FACTORING SERVICE AGREEMENT

Date : 18 December 2017

Parties : (i) Jiangsu Goldbond

(ii) Sichuan Xinju

Sichuan Xinju has the patented technology for producing tellurium copper alloy. The company mainly manufactures various types of tellurium copper alloy bars, wire, strip and other products for both domestic and oversea market.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Sichuan Xinju and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons and are not connected persons of the Company.

Assets to be acquired : Pursuant to the Factoring Service Agreement, Jiangsu Goldbond has conditionally agreed to acquire the Electronic Commercial Drafts issued by CECEP Industrial Energy Conservation Co., Ltd* 中節能工業節能有限公司 from Sichuan Xinju.

CECEP Industrial Energy Conservation Co., Ltd, is a subsidiary of China Energy Conservation and Environmental Protection Group* 中國節能環保集團公司, which is a state level enterprise specialized in industrial energy-saving and emission reduction. CECEP Industrial Energy Conservation Co., Ltd is mainly engaged in industrial energy-saving system integration, core equipment manufacturing, investment, project implementation and operation and management.

Consideration : The consideration for the acquisition of the Electronic Commercial Drafts amounts to RMB30 million (equivalent to approximately HK\$35.4 million), RMB5 million payable by cash after all the conditions precedent being fulfilled, and RMB25 million payable by cash after receiving the factoring service fee.

Factoring service fee : An agreed service charge payable by Sichuan Xinju to Jiangsu Goldbond for the provision of the factoring service will be approximately RMB3.3 million (equivalent to approximately HK\$3.9 million), payable in cash.

CONDITIONS PRECEDENT TO THE ACQUISITION OF THE ELECTRONIC COMMERCIAL DRAFTS UNDER THE FACTORING SERVICE AGREEMENT

The acquisition of the Electronic Commercial Drafts under the Factoring Service Agreement is conditional upon the fulfillment of, inter alia, the following conditions:

- (a) the entering into of the Factoring Service Agreement and the transactions contemplated thereunder do not constitute a major transaction, a very substantial disposal or a very substantial acquisition of the Company under the Listing Rules;
- (b) Sichuan Xinju having transferred the Electronic Commercial Drafts to Jiangsu Goldbond through the electronic commercial draft system of the People's Bank of China.

The above conditions must be fulfilled and are incapable of being waived. If any condition precedent cannot be fulfilled by 31 December 2017 or such later date as may be agreed between the parties, the acquisition of the Electronic Commercial Drafts under the Factoring Service Agreement will lapse automatically and in which event all rights and obligations of the parties under the Factoring Service Agreement shall determine and no party shall have any claim against the other parties.

REASONS AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in the provision of financing services and trading of goods in Hong Kong and the PRC and holding of interests in a joint venture and associates. Jiangsu Goldbond is a limited liability company established in the PRC mainly engaged in the business of provision of factoring services to its customers. The terms of the Factoring Service Agreement were agreed between Jiangsu Goldbond and Sichuan Xinju after arm's length negotiations.

The Directors consider that the entering into of the Factoring Service Agreement is in the ordinary and usual course of business of Jiangsu Goldbond and that will generate revenue and cashflow stream from the factoring service fee received. The consideration of Factoring Service Agreement will be financed by internal resources of the Group. The Board is of the view that the Factoring Service Agreement is entered into upon normal commercial terms and that the terms of the Factoring Service Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Factoring Service Agreement are above exceeds 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Goldbond Group Holdings Limited (stock code: 00172), a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Electronic Commercial Draft(s)”	the electronic commercial draft(s) 電子商業承兌匯票, with an aggregate face value of RMB30 million and having maturity date falling on 1 December 2018 to be transferred by Sichuan Xinju to Jiangsu Goldbond pursuant to the arrangement set out in the Factoring Service Agreement
“Factoring Service Agreement”	the agreement entered into between Jiangsu Goldbond and Sichuan Xinju relating to the provision of factoring services dated 18 December 2017
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jiangsu Goldbond”	Jiangsu Goldbond Factoring Co. Ltd.* 江蘇金榜商業保理有限公司, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Sichuan Xinju”	Sichuan Xinju Emerging Advanced Materials Technology Co., Ltd.* 四川鑫炬新興新材料科技有限公司, a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transactions contemplated under the Factoring Service Agreement

* English translated name is for identification purpose only

Unless otherwise defined, for the purpose of this announcement and for the purpose of illustration only, HK\$ amounts have been translated using the following rates:

RMB1 : HK\$1.1808

Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

By order of the Board
Goldbond Group Holdings Limited
Kelly Li
Company Secretary

Hong Kong, 18 December 2017

As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Wong Yu Lung, Charles, Mr. Ding Chung Keung and Ms. Wong, Michelle Yatyee (all being executive Directors), Mr. Ma Ho Fai GBS JP, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung MH (all being independent non-executive Directors).